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5 January 1968

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NRO REVIEW COMPLETED

MEMORANDUM FOR: United States Intelligence Board

SUBJECT: Report of the COMOR Cost Effectiveness Task Force

1. On 12 May 1965 USIB directed the Committee on Overhead Reconnaissance to undertake a "cost effectiveness study on NRO [redacted] 25X1 .. with the advice and assistance of the NRO and of outside experts...." In implementing this directive, COMOR established a Cost Effectiveness Task Force including representatives of the NRO and several well qualified consultants. A description of the substantive problems encountered by the Task Force is attached as Tab A. The report of the Task Force is attached as Tab B.

2. The Task Force has set forth a number of conclusions as a result of their analysis. These conclusions are contained in para 13 of the report at Tab B. I would like to call specific attention to three points contained in these conclusions. These are:

a. That the existing formal statement of requirements for information to be collected by [redacted] NRO

[redacted] 25X1 does not adequately reflect the current and foreseeable needs of the intelligence community and should be revised by COMOR at an early date. COMOR has

already begun this task of revision and will be submitting

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revised statements of requirements to USIB for approval as they are completed. (Task Force report, para 13a)

b. The methodology developed by the Task Force is useful to assist in evaluating the

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[redacted] (Task Force report, para 13e)

c. The NRO should review its

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[redacted] and develop alternative programs

for USIB consideration that provide adequate

sampling rates and other necessary characteristics

to meet the current and future information

requirements of the intelligence community on a cost

effectiveness basis. This last point is particularly

pertinent since the information set out in the tables

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accompanying the Task Force report

[redacted] do not

always appear to be compatible. (Task Force report,

para 13f)

3. It is recommended that USIB approve the conclusions contained in para 13 of the report of the Cost Effectiveness Task Force and request the NRO to propose alternative programs for USIB consideration with special attention being paid to cost effectiveness factors.

Tab A

History of the Cost Effectiveness Task Force

1. In the USIB discussion which resulted in the 12 May directive to COMOR, it was clear that USIB wished the Cost Effectiveness Study to be completed by fall 1965. This target was not met for a number of reasons:

a. This was COMOR's first involvement with a cost effectiveness study and involved a substantial learning period during which members of the Task Force grappled with conceptual and procedural problems.

b. A major effort was made to compare the effectiveness [redacted]

[redacted] This effort proved to be

abortive, however, because of the complex nature of the [redacted]

c. [redacted]

during the time in which the study was in preparation

were much more productive in useable results than in [redacted]

As a result of these successes, it was possible to derive more precise data for incorporation in the study than had been contemplated originally.

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2. After recognizing the frustrations and delays described NRO

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in the preceding paragraph, it was decided that the most useful course

of action would be to compare the effectiveness [redacted]

[redacted] This in turn would provide a more

systematic and less subjective basis for further analysis of relative cost NR

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effectiveness. [redacted]

We [redacted]

decided to use the program for calendar year 1967 because the planned  
schedule for launches was reasonably firm and because the program  
employed systems whose expected operating results could be fairly  
well predicted on the basis of the actual performance demonstrated  
during calendar year 1966. We also felt that this course of analysis

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would permit us to develop analytical tools which could then be used in

evaluating the [redacted]

programs in future years, [redacted]

3. We believe that the Task Force was successful in the

course of analysis outlined above. As a result, we now have a developed

an analytical concept and supporting data with which we can assess the NRO

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